

Rochester Board of Education
Finance Committee
April 21, 2011
5:30PM

MINUTES

Attendance: Commissioner Powell (Chair) and Commissioner Cruz. Commissioner White absent. Parent Representative absent. District Staff: Joyce Martelli, Jerome Underwood, Vern Connors, and John Burke. Board Staff: Debra Flanagan

Commissioner Powell convened the meeting at 5:39 p.m.

I. Review and Approve Minutes of March 17, 2011 Finance Committee Meeting and of April 7, 2011 Finance Committee Meeting of the Whole

Motion by Commissioner Cruz to approve the minutes of the March 17, 2011 Finance Committee meeting and of the April 7, 2011 Finance Committee Meeting of the Whole. **Adopted 2-0.**

II. March 2011 Financial Report and Budget Amendments

Joyce Martelli distributed a Financial Report for School Food Services, stating that this will be included in the monthly Financial Reports in the future.

Commissioner Powell suggested addressing the School Food Services Financial Report separately. She asked whether there were questions regarding the regular monthly Financial Report.

Motion by Commissioner Cruz to approve the March 2011 Financial Report. **Adopted 2-0.**

Ms. Martelli discussed four proposed budget amendments, primarily due to changes in grant funding for a net increase of \$4.103m for the current fiscal year.

Budget Amendments:

- 1. Amendment to General Fund – Resolution No. 2010-11: 742**
- 2. Amendment to Grant Fund – Resolution No. 2010-11: 743**
- 3. Amendment to Lunch Fund – Resolution No. 2010-11: 744**
- 4. Amendment to RCSD Budget for FY2010-11 – Resolution No. 2010-11: 745**

Commissioner Powell inquired whether these funds include Race to the Top dollars. Ms. Martelli replied that the District is still in the application process and has not yet received these funds. She explained that funding was increased specifically for Title I School Improvement, Early Retiree Reinsurance Program, Extended Day Violence Prevention, Greater Rochester Health Foundation programs, Response to Intervention, and IDEA federal stimulus, with a slight reduction (\$0.292m) for Teachers for Tomorrow. For the Early Retiree Reinsurance program, federal funds are provided on a first-come, first-served basis. Ms. Martelli stated that the District received these funds for 2009-10 and is in the process of applying for 2010-11, but these funds can only be used to offset the

cost of retiree health insurance benefits. She noted that the grant receipts are not new revenue, but reimbursement of allowable costs the District has already incurred under each grant.

Motion by Commissioner Cruz to address budget amendments as a group. **Adopted 2-0.**

Motion by Commissioner Cruz to approve all budget amendments. **Adopted 2-0.**

Commissioner Powell suggested addressing the School Food Services portion of the March Financial Report.

Jerome Underwood highlighted a number of challenges affecting Food Service revenues:

- Attendance and participation in the school meals program: Mr. Underwood reported that existing data indicates the percentage of students obtaining school meals out of the average enrollment in the school. He stated that data regarding the percentage of students participating in the school meal program compared to total attendance for each day would provide a more accurate and precise indication of participation. Mr. Underwood reported that efforts are under way to gather this information.

He stated that Food Services tends to serve approximately 82,000 fewer meals than the previous year, although initiatives such as “Grab and Go” and breakfast in the classroom seem to have been successful over the last year.

- The negative impact of continued operating losses on the General Fund: Mr. Underwood reported an estimated \$170K operating loss in Food Services by the end of the FY2010-11. He described efforts to improve payment collection, particularly through online payment.
- High absenteeism rates for Food Services employees, which are double the standard for the industry. Mr. Underwood explained that high absenteeism significantly increases salary costs with no corresponding increases in revenue. He stated that employees must be paid even if not required to report to work (e.g. snow day) under the terms of their contract.

Motion by Commissioner Cruz to approve the March 2011 Food Services Financial Report. **Adopted 2-0.**

III. Quarterly Change Order Report for January through March 2011

Mr. Underwood explained that the Quarterly Change Order Report contains information about projects performed over three different years:

- FY2008-09: three of these projects remain open, but none have change orders.
- FY2009-10: five projects are currently open, and three have change orders totaling \$3900.
- FY2010-11: 39 projects are still open and 11 have been closed. There are nine change orders for these projects for a total of \$11K.

Motion by Commissioner Cruz to approve the Quarterly Change Order Report for January through March 2011. **Adopted 2-0.**

IV. Review of Remaining Resolutions for April 28, 2011 Board Business Meeting

A. PROCUREMENT & SUPPLY

- 1. Anaconda Sports; Laux Sporting Goods, Inc.; Premier Sports Center; Riddell/All American; and Toth's Sports – athletic uniforms – Resolution No. 2010-11: 703**
- 2. Monroe 2 – Orleans BOCES – cooperative bidding for natural gas procurement – Resolution No. 2010-11: 704**

Commissioner Powell asked about increases in the cost of natural gas this year. John Burke replied that BOCES hires a consultant to advise districts participating in cooperative bidding whether to “lock in” a fixed price for the year, and this has been advised for the upcoming year. Mr. Burke stated that the bidding is still in process, so specific information is not yet available as to the cost.

Motion by Commissioner Cruz to address all above procurement resolutions as a group. **Adopted 2-0.**

Motion by Commissioner Cruz to approve all above procurement resolutions. **Adopted 2-0.**

B. FACILITIES

Commissioner Powell suggested addressing these resolutions in groups of five due to the large number under consideration. Commissioner Cruz concurred.

Contracts:

- 1. Kiutems Construction, Inc.; Piptone Enterprises, LLC; Leo J. Roth Corporation; EastCoast Electric, LLC – renovations to School No. 12 and South Avenue Recreation Center – Resolution No. 2010-11: 705**
- 2. Kuitems Construction, Inc.; Navalis Company, Inc.; Lloyd Mechanical Co., LLC; Blackmon-Farrell Electric, Inc. – renovations to School No. 19 – Resolution No. 2010-11: 706**
- 3. Testa Construction, Inc.; Lloyd Mechanical Co., LLC; Unified Mechanical Contractors, Inc.; McMullen-Bishop, Inc. – renovations to School No. 25 – Resolution No. 2010-11: 707**
- 4. Rejection of all bids for renovations to School No. 36 – Resolution No. 2010-11: 708**
- 5. Kuitems Construction, Inc.; EastCoast Electric, LLC – renovations to School No. 41 – Resolution No. 2010-11: 709**

Commissioner Powell asked for an explanation of the resolution to reject all bids for renovation of School No. 36. Mr. Underwood replied that the bids were more

costly than expected. Since the repairs are not critical or urgent, he stated that the project is to be reconsidered for next year, when hopefully costs will be lower.

Commissioner Powell commented that this is a prudent decision in light of the difficulty with bonding this year.

Motion by Commissioner Cruz to approve above facilities contracts. **Adopted 2-0.**

- 6. Steve General Contractor, Inc.; McMullen-Bishop, Inc. – renovations to School No. 58 – Resolution No. 2010-11: 710**
- 7. F.W. Construction Corp.; Monroe Piping & Sheet Metal, LLC; Concord Electric Corporation – renovations to Edison Educational Campus – Resolution No. 2010-11: 711**
- 8. Rejection of all bids for renovations to Franklin High School – Resolution No. 2010-11: 712**
- 9. Steve General Contractor, Inc.; Navalis Co.; Leo J. Roth Corp.; O’Connell Electric Company, Inc. – renovations to Marshall High School – Resolution No. 2010-11: 713**
- 10. Steve General Contractor, Inc.; Pipitone Enterprises, LLC; Leo J. Roth Corp.; Blackmon-Farrell Electric, Inc.; Lozier Environmental Consulting, Inc. – renovations to Monroe High School, School No. 15, and School Without Walls Commencement Academy – Resolution No. 2010-11: 714**

Commissioner Powell inquired as to the reason for rejecting all of the bids for renovating Franklin High School. Mr. Underwood responded that this project will also be re-evaluated next year in light of the costs involved.

Motion by Commissioner Cruz to approve facilities contracts Resolution Nos. 2010-11: 710 through 714. **Adopted 2-0.**

- 11. Kuitems Construction, Inc.; Pipitone Enterprises, LLC; Lloyd Mechanical Co., LLC; McMullen-Bishop, Inc. – renovations to School Without Walls Foundation Academy – Resolution No. 2010-11: 715**

Commissioner Powell pointed out that Resolution No. 2010-11: 715 is for a contract to perform construction over this summer.

Motion by Commissioner Cruz to approve Resolution No. 2010-11: 715. **Adopted 2-0.**

- 12. Manel Excavating Corp. – contract extension for snow plowing – Resolution No. 2010-11: 716**

13. **Rochester Snowplowing & Sealcoating, Inc. – contract extension for snow plowing – Resolution No. 2010-11: 717**
14. **GPD90 Services, Inc. – contract extension for snow plowing – Resolution No. 2010-11: 718**
15. **Archie Donoughe Sanding, Inc. – contract extension for floor refinishing – Resolution No. 2010-11: 719**
16. **Pro Carpet, Inc. – contract extension for flooring maintenance – Resolution No. 2010-11: 720**
17. **GPD90 Services – contract extension for snow plowing – Resolution No. 2010-11: 721**
18. **Manel Paving & Sealing, Inc. – contract extension for snow plowing – Resolution No. 2010-11: 722**
19. **Leo J. Roth Corporation – contract extension for roof repair and maintenance – Resolution No. 2010-11: 723**

Commissioner Powell noted that Resolution Nos. 2010-11: 716 through 723 are for extensions of existing facilities contracts.

Motion by Commissioner Cruz to approve Resolution Nos. 2010-11: 716 through 723. **Adopted 2-0.**

Final Payments:

20. **Envoy Environmental Consultants, Inc. – air monitoring work for renovations to School No. 9 and Clinton Baden Recreation Center – Resolution No. 2010-11: 724**
21. **Excel Insulation Co., Inc. – asbestos abatement work for renovations to Wilson Commencement Academy – Resolution No. 2010-11: 725**
22. **Hewitt Young Electric, LLC – electrical work for renovations to School No. 4 – Resolution No. 2010-11: 726**
23. **Hewitt Young Electric, LLC – electrical work for renovations to Jefferson High School – Resolution No. 2010-11: 727**
24. **Kuitems Construction, Inc. – general construction work for renovations to School No. 9 and Clinton Baden Recreation Center – Resolution No. 2010-11: 728**
25. **Lloyd Mechanical Co., LLC – plumbing work for renovations at School No. 9 and Clinton Baden Recreation Center – Resolution No. 2010-11: 729**

Motion by Commissioner Cruz to approve Resolution Nos. 2010-11: 724 through 729. **Adopted 2-0.**

26. Lloyd Mechanical Co., LLC – mechanical work for renovations to School No. 16 and 22 – Resolution No. 2010-11: 730

27. Lloyd Mechanical Co., LLC – plumbing work for renovations to School No. 16 and 22 – Resolution No. 2010-11: 731

28. Lloyd Mechanical Co., LLC – mechanical work for renovations to School No. 58 – Resolution No. 2010-11: 732

29. Lloyd Mechanical Co., LLC – plumbing work for renovations at Frederick Douglass Campus – Resolution No. 2010-11: 733

30. Pipitone Enterprises, LLC – mechanical work for renovations to School No. 9 and Clinton Baden Recreation Center – Resolution No. 2010-11: 734

31. Steve General Contractor, Inc. – general construction work for renovations to School No. 12 and 19 – Resolution No. 2010-11: 735

Commissioner Powell expressed concern about the large change order (\$137K) for general construction work to renovate School Nos. 12 and 19 (Resolution No. 2010-11: 735). Mr. Underwood replied that this change order is due to project changes in 2007-08 to perform expensive road work to create a bus loop at School No. 12. He stated that current policy regarding change orders would require this additional work to be included in the original contract, or bid as a separate contract. However, the work was performed before the policy was developed.

Motion by Commissioner Cruz to approve Resolution Nos. 2010-11: 730 through 735. **Adopted 2-0.**

Additional Contracts:

32. Envoy Environmental Consultants, Inc. – general consultant services on lead base paint and asbestos in schools – Resolution No. 2010-11: 736

33. Thomas H. Anderson – architectural/engineering services for renovation and new construction of educational facilities – Resolution No. 2010-11: 737

34. IBC Engineering, PC – architectural/engineering services for renovation and new construction of educational facilities – Resolution No. 2010-11: 738

Motion by Commissioner Cruz to approve Resolution Nos. 2010-11: 736 through 738. **Adopted 2-0.**

Leases:

35. The Cathedral Community Church of Rochester – lease to house Flower City School No. 54 – Resolution No. 2010-11: 739

36. Memorial Art Gallery, University of Rochester – lease of grounds for the School of the Arts physical education – Resolution No. 2010-11: 740

Commissioner Powell questioned the rationale for leasing space for Flower City School No. 54 when space is available in other schools within the District. Mr. Underwood replied that Lease Aid will help to cover these costs, and alternatives for housing School No. 54 will be explored in the upcoming school year. He noted that the logistics must be clarified and discussions held with parents, students, and the school community before making such a move.

Commissioner Powell inquired whether the Lease Aid will cover all of the costs, so that this lease will not affect the budget.

Action Item: Ms. Martelli will provide information to the members of the Finance Committee regarding the percentage of costs reimbursed under Lease Aid.

Motion by Commissioner Cruz to approve Resolution Nos. 2010-11: 739. **Adopted 2-0.**

With regard to leasing grounds at the Memorial Art Gallery, Mr. Underwood pointed out that the School of the Arts (SOTA) needs this space to provide physical education for students.

Commissioner Powell stated that she would like to table this resolution because of current budget discussions regarding SOTA's potential use of "locked" funds for sports to support its core mission. She stated that if SOTA is able to use these funds for the arts, it is uncertain whether this lease will be needed.

Motion by Commissioner Cruz to table Resolution No. 2010-11: 740. **Adopted 2-0.**

Additional Contract:

37. Day Automation Systems, Inc. – contract for software, hardware, and technical support to assist in the maintenance of the District's Energy Management System – Resolution No. 2010-11: 741

Commissioner Powell asked whether Day Automation Systems, Inc. will earn a commission for all of the savings generated from improved energy efficiency in the District. Mr. Underwood stated that Day Automation Systems, Inc. does not receive a commission, but provides software to enable central control of the temperature in all District buildings. He clarified that this resolution is to

authorize a contract with Day Automation Systems, Inc. to provide these services, which generate savings in utility costs for the District.

Motion by Commissioner Cruz to approve Resolution No. 2010-11: 741.
Adopted 2-0.

Late Submission:

38. Michael A. Ferraulo Plumbing and Heating, Inc. – HVAC work for renovations to School No. 29 – Resolution No. 2010-11: 757

Mr. Underwood explained that the current crisis regarding the City's calculation of their Maintenance of Effort (MOE) payment to the District and refusal to issue bonds for District projects has led some of the lowest bidders to withdraw their bids after the 45-day limit. He noted that the District is required to go to the next lowest bidder, which increases project costs.

Commissioner Powell inquired whether City Hall realizes that holding up bonding to finance District projects is increasing costs. She stated that two City Council members announced in a recent public meeting that RCSD has other sources of financing, and have the mistaken belief that the bond issue has no financial impact on the District. Mr. Underwood asserted that numerous discussions have been held with City Hall regarding the implications of holding up bond issuance. Ms. Martelli stated that the MOE form and debt service payments made by RCSD have been shared with NYS Education Department in an attempt to rectify this issue. She reported that the NYS Finance Department is currently working to address the issue.

Motion by Commissioner Cruz to approve Resolution No. 2010-11: 757.
Adopted 2-0.

Motion by Commissioner Cruz to adjourn. **Adopted 2-0.**

Meeting adjourned at 6:37PM.

Next Finance Committee Meeting: May 19, 2011, immediately following the Policy Committee meeting